

News Release

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Gutsy Career Move and the SBA Prove to be Purr-fect Combination for Success

New York, NY— With just a dream and no prior entrepreneurial experience, Michael Tracy's first foray into business ownership occurred in 2004 when he bought an old, distressed bar in New York City's fashion district. He transformed the run-down business into Katwalk NYC Bar & Lounge— a sleek, chic and stylish lounge that has since become a local hotspot, hosts parties for major corporations, and provides a once-a-week venue for HBO's *Sex and the City* fans.

Previously living a lucrative corporate life at one of New York's leading global investment banks— Lehman Brothers, Tracy found that career path to be unrewarding. He also didn't care to see the way hard-working people were so easily let go from their jobs. At a loss as to what to do for fulfillment and satisfaction, he finally decided to combine his business savvy with his entrepreneurial spirit. "I wanted to be my own master," said Tracy.

Ready to invest \$165,000 of his own money Tracy visited the U.S. Small Business Administration-funded, Pace University Small Business Development Center to take advantage of its free business counseling services. "I wanted a business that I could ramp up quickly and that had big profit margins, so I choose the bar business," said Tracy. He worked with SBDC Counselor, Greg Callender, to get a better understanding of what it took to run a small business. They also put together a loan application package that set Tracy up with a \$200,000 HSBC Bank loan backed by the SBA.

With the combined funds Tracy purchased the troubled bar, situated close to all the major transit hubs, and gave the 3000 square-foot space a massive face lift, all the while still working at Lehman. He did the build-out himself and created an interior designed to appeal to all the female fashion industry workers and to women in general. "Even the name of my business is targeted at women," said Tracy. "I figured if the women came, the men would follow."

Tracy included a kitchen in his build-out in order to offer New-American small plate food, and poured money into a swanky upstairs 'Kat Lounge' that has been used for corporate gatherings for the likes of Mitsubishi, NBC, UBS and United Way.

Tracy has also given back to the community by hosting and donating to numerous charitable events including City Harvest, the Libby Ross Foundation for Breast Cancer Research, the Unicef Fundraiser for Tsunami Victims and iMentor. And each Wednesday, the bar features *Sex and the City* Night where patrons can watch all their favorite episodes on the big flat screens with 10 percent of the night's proceeds going to the National Breast Cancer Foundation.

Tracy's decision to leave Lehman Brothers now seems prescient and he has an abundance of advice for other aspiring owners. A member of the New York State Restaurant Association and the Manhattan Chamber of Commerce, he advises others to join their respective industry's trade association and local commerce for the support they offer. He also suggests, "Use Business Pro to build your business plan, have a public relations policy and be up front about everything. "People know when you are snowing them"

"If you need any support starting your businesses – whether it is guidance or you need financial assistance, visit your local SBA and SBDC office," Tracy adds. Without their support, I would not have been able to achieve my entrepreneurial dream. They provided me the leverage I needed to implement my vision of the, as he puts it, *purr-fect* bar."

-by DeAnn Misilmeri

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